

CAMPAIGN SPENDING COMMISSION

STATE OF HAWAII

In Re the Matter of)	CA 06-09
)	
KRS Development, Inc.)	
)	
Respondent)	
_____)	

CONCILIATION AGREEMENT

On or around June 8, 2006, a representative of KRS Development, Inc. ("Respondent") called the staff of the Campaign Spending Commission ("Commission") to advise that Respondent may have unintentionally made contributions to a noncandidate committee, in an aggregate amount greater than \$1,000 in an election.

NOW, THEREFORE, Respondent and the Commission, having entered into conciliation and pursuant to section 11-216(g), HRS, do hereby agree as follows:

- I. That the Commission has jurisdiction over Respondent and the subject matter of this administrative action.
- II. That this Conciliation Agreement ("Agreement") and upon complete performance of the conditions stated herein has the effect of remedial or corrective action taken by Respondent pursuant to section 11-216(g), HRS.
- III. That Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

- IV. That Respondent waives the right to be heard at a public hearing conducted under chapter 91, HRS, pursuant to section 11-228(b), HRS.
- V. That Respondent having voluntarily and fully cooperated with this investigation desires to resolve any potential litigation by entering into this Agreement with the Commission on their own volition and with full knowledge and understanding.
- VI. That parties agree to the pertinent facts as follows:
 - 1. On or around June 8, 2006, a representative of the Respondent called the Commission staff to advise that Respondent may have unintentionally made contributions to its noncandidate committee, in an aggregate amount greater than \$1,000 in an election. Barbara U. Wong, Executive Director for the Commission, then initiated an investigation of the Respondent.
 - 2. Section 11-194(e), Hawaii Revised Statutes ("HRS"), reads as follows:

"A noncandidate committee shall file an organizational report within ten days of receiving contributions or making expenditures that amount to more than \$1,000, in the aggregate, in a two-year election period. "

3. Respondent is the sponsoring organization for a noncandidate committee ("Committee") which did not file an organizational report with the Commission within ten days of receiving contributions or making expenditures that amount to more than \$1,000, in the aggregate, in a two-year election period.
4. Respondent did not knowingly, intentionally, or recklessly violate section 11-194(e), HRS.
5. Section 11-204(b), HRS, reads as follows:

"No person or any other entity shall make contributions to a noncandidate committee, in an aggregate amount greater than \$1,000 in an election."
6. Respondent advised that it made contributions to the Committee and the Committee made contributions as follows:

<u>Date</u>	<u>Donor</u>	<u>Contribution</u>	<u>Office Sought</u>	<u>Excess Contribution</u>
3/10/2006	Team Baisa	\$500	Maui Council	\$0
3/24/2006	Friends of Kymberly	\$200	House	\$0
4/26/2006	Charmaine Tavares	\$500	Maui Mayor	\$200
5/8/2006	Friends of Chris Halford	\$100	Representative	\$100
5/12/2006	Friends of Dain Kane	\$500	Maui Council	\$500

5/12/2006	Charmaine Tavares	\$500	Maui Mayor	\$500
5/12/2006	Friends of Mike Victorino	\$100	Maui Council	\$100
5/12/2006	Friends of Riki Hokama	\$250	Maui Council	\$250
5/12/2006	Donald Ikeda	\$200	Hawaii Council	\$200
5/12/2006	Stacy Higa	\$200	Hawaii Council	\$200

7. Respondent unintentionally made eight excess contributions totaling \$2,050 to the Committee in violation of section 11-204(b), HRS.
8. Respondent did not knowingly, intentionally, or recklessly violate section 11-204(b), HRS.

VII. Settlement Terms

1. As final settlement of the matter and issues in Conciliation Agreement #06-09, Respondent understands and agrees to an assessment of Seven Hundred Fifty Dollars (\$750) pursuant to section 11-228, HRS.
2. Terms of payment of the assessment shall be by Order of the Commission.
3. Respondent agrees to comply with Hawaii laws on contributions and expenditures.

VIII. The Commission upon its own motion or a written request of anyone filing a complaint under section 11-216, HRS, may review

compliance with the Agreement. If the Commission believes that the Agreement has been violated, it may institute administrative proceedings or a civil action in the Circuit Court of the First Circuit pursuant to section 11-228(c), HRS.

- IX. This Agreement shall become effective as of the date that all parties have signed and the Commission has approved the entire Agreement.
- X. This Agreement constitutes the entire agreement between the Commission and Respondent on the matters raised herein, and no other statement, promise, or agreement, either in writing or oral, not contained in this Agreement made by either party or by agents of either party shall be enforceable.
- XI. This Agreement, unless violated, shall be a complete bar to any further action by the Commission with respect to the violations at issue in this matter and any and all other matters covered by this Agreement.

FOR THE COMMISSION:

Barbara Wong, Executive Director

Date: _____

FOR THE RESPONDENT:

KRS Development, Inc.

By: _____

Its: _____

Date: _____